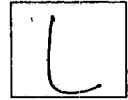


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02747A  
Los Cerros Water Co., Inc.  
4003 N. Flowing Wells Road  
Tucson, AZ 85705

RECEIVED

2009 APR 10  
Director's Office

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

12	31	2009
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FOR COMMISSION USE

ANN 04	09
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3-2-10

## COMPANY INFORMATION

**Company Name (Business Name)** Los Cerros Water Co., Inc.

**Mailing Address** 4003 N. Flowing Wells Road

(Street)

Tucson

(City)

AZ

(State)

85705

(Zip)

(520) 293-5500

Telephone No. (Include Area Code)

(520) 293-3810

Fax No. (Include Area Code)

(520) 401-0102

Cell No. (Include Area Code)

**Email Address** loscerrowater@comcast.net

**Local Office Mailing Address** 4003 N. Flowing Wells Road

(Street)

Tucson

(City)

AZ

(State)

85705

(Zip)

(520) 293-5500

Local Office Telephone No. (Include Area Code)

(520) 293-3810

Fax No. (Include Area Code)

(520) 401-0102

Cell No. (Include Area Code)

**Email Address** loscerrowater@comcast.net

## MANAGEMENT INFORMATION

☐ **Regulatory Contact:**

☒ **Management Contact:** Jody Carlson Secretary

(Name)

(Title)

4003 N. Flowing Wells Rd

(Street)

Tucson, AZ 85705

(City)

(State)

(Zip)

(520) 293-5500

Telephone No. (Include Area Code)

(520) 293-3810

Fax No. (Include Area Code)

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**Email Address** loscerrowater@comcast.net

**On Site Manager:** Jody Carlson

(Name)

4003 N. Flowing Wells Road

(Street)

Tucson, AZ 85705

(City)

(State)

(Zip)

(520) 293-5500

Telephone No. (Include Area Code)

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Fax No. (Include Area Code)

(520) 401-0102

Cell No. (Include Area Code)

**Email Address** loscerrowater@comcast.net

**Statutory Agent:** Richard Block

(Name)

1660 East River Road

(Street)

Tucson, AZ 85705

(City)

(State)

(Zip)

(520) 577-7575

Telephone No. (Include Area Code)

(520) 577-7599

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Attorney:** Richard Block

(Name)

1660 East River Road

(Street)

Tucson, AZ 85705

(City)

(State)

(Zip)

(520) 577-7575

Telephone No. (Include Area Code)

(520) 577-7599

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

Company Name: Los Cerros Water Co., Inc.

**UTILITY PLANT IN SERVICE**

Acct No	Description	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	\$ -	\$ -	\$ -
302	Franchises	\$ -	\$ -	\$ -
303	Land and Land Rights	\$ 5,650	\$ -	\$ 5,650
304	Structures and Improvements	\$ 11,126	\$ 10,954	\$ 172
307	Wells and Springs	\$ 480,047	\$ 182,202	\$ 297,845
311	Pumping Equipment	\$ 135,764	\$ 131,483	\$ 4,281
320	Water Treatment Equipment	\$ 2,691	\$ 1,135	\$ 1,556
330	Distribution Reservoirs and Standpipes	\$ 55,578	\$ 55,578	\$ -
331	Transmission and Distribution Mains	\$ 395,438	\$ 395,438	\$ -
333	Services	\$ 118,321	\$ 86,448	\$ 31,873
334	Meters and Meter Installations	\$ 144,678	\$ 60,904	\$ 83,774
335	Hydrants	\$ 7,872	\$ 7,292	\$ 580
336	Backflow Prevention Devices	\$ -	\$ -	\$ -
339	Other Plant and Misc Equipment	\$ 8,047	\$ 1,530	\$ 6,517
340	Office Furniture and Equipment	\$ 10,000	\$ 1,000	\$ 9,000
341	Transportation Equipment	\$ -	\$ -	\$ -
343	Tools, Shop and Garage Equipment	\$ -	\$ -	\$ -
344	Laboratory Equipment	\$ -	\$ -	\$ -
345	Power Operated Equipment	\$ -	\$ -	\$ -
346	Communication Equipment	\$ -	\$ -	\$ -
347	Miscellaneous Equipment	\$ 1,017	\$ 404	\$ 613
348	Other Tangible Plant	\$ -	\$ -	
	<b>TOTALS</b>	<b>\$ 1,376,229</b>	<b>\$ 934,368</b>	<b>\$ 441,861</b>

(AD) = This amount goes on the Balance Sheet Acct No 108

Company Name: Los Cerros Water Co., Inc.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct No	Description	Original Cost (OC)	Depreciation Percentage -2	Depreciation Expense (1 x 2)
301	Organization	\$ -		\$ -
302	Franchises	\$ -		\$ -
303	Land and Land Rights	\$ 5,650		\$ -
304	Structures and Improvements	\$ 11,126	5%	\$ 556
307	Wells and Springs	\$ 480,047	5%	\$ 24,002
311	Pumping Equipment	\$ 135,764	5%	\$ 6,788
320	Water Treatment Equipment	\$ 2,691	5%	\$ 135
330	Distribution Reservoirs and Standpipes	\$ 55,578		\$ -
331	Transmission and Distribution Mains	\$ 395,438	Final	\$ 4,187
333	Services	\$ 118,541	5%	\$ 5,927
334	Meters and Meter Installations	\$ 144,678	5%	\$ 7,234
335	Hydrants	\$ 7,872	5%	\$ 394
336	Backflow Prevention Devices	\$ -	5%	\$ -
339	Other Plant and Misc Equipment	\$ 8,047	5%	\$ 402
340	Office Furniture and Equipment	\$ 10,000	5%	\$ 500
341	Transportation Equipment	\$ -	5%	\$ -
343	Tools, Shop and Garage Equipment	\$ -	5%	\$ -
344	Laboratory Equipment	\$ -	5%	\$ -
345	Power Operated Equipment	\$ -	5%	\$ -
346	Communication Equipment	\$ -	5%	\$ -
347	Miscellaneous Equipment	\$ 1,017	5%	\$ 51
348	Other Tangible Plant	\$ -	5%	\$ -
	<b>TOTALS</b>	<b>\$ 1,376,449</b>		<b>\$ 50,176</b>

Depreciation Expense = This amount goes on the Comparative Statement of Income and Expense Acct No. 403

Company Name: Los Cerros Water Co., Inc.

**BALANCE SHEET**

Acct. No.	ASSETS	Balance at Beginning of Year	Balance at End of Year
<b>CURRENT AND ACCRUED ASSETS</b>			
131	Cash	\$51,373	\$46,031
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Recievable	\$15,285	\$11,609
146	Notes/Receivable from Associated Companies	\$0	\$0
151	Plant Material and Supplies		
162	Prepayments		\$82
174	Miscellaneous Current and Accrued Assets	\$0	\$0
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$66,658	\$57,722
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$1,362,206	\$1,376,449
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(\$884,634)	(\$934,368)
121	Non-Utility Property		
122	Accumulated Depreciatin - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$477,572	\$442,081
	<b>TOTAL ASSETS</b>	\$544,230	\$499,803

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

Company Name: Los Cerros Water Co., Inc.

**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	Balance at Beginning of Year	Balance at End of Year
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$84	\$165
232	Notes Payable (Current Portion)		
234	Notes/Accts Payable to Associated Companies		
235	Customer Deposits	\$78,691	\$65,874
236	Accrued Taxes	\$879	\$2,294
237	Accrued Interest		
241	Miscellaneous Current and Accured Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$79,654</b>	<b>\$68,333</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$0	\$0
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$398,785	\$383,525
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	\$195,807	\$195,807
272	Less: Amortization of Contributions	(\$112,917)	(\$122,707)
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$481,675</b>	<b>\$456,625</b>
	<b>TOTAL LIABILITIES</b>	<b>\$561,329</b>	<b>\$524,958</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 100,000	\$ 100,000
211	Paid in Capital in Excess of Par Value	\$ 103,550	\$ 103,550
215	Retained Earnings	\$ (220,649)	\$ (228,705)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$ (17,099)</b>	<b>\$ (25,155)</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 544,230</b>	<b>\$ 499,803</b>

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>Prior Year</b>	<b>Current Year</b>
461	Metered Water Revenue	\$352,101	\$358,736
460	Unmetered Water Revenue	\$0	\$0
474	Other Water Revenues	\$5,597	\$6,210
	<b>TOTAL REVENUES</b>	<b>\$357,698</b>	<b>\$364,946</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$84,224	\$86,500
610	Purchased Water	\$0	\$0
615	Purchased Power	\$31,322	\$34,631
618	Chemicals	\$1,313	\$1,292
620	Repairs and Maintenance	\$3,425	\$7,897
621	Office Supplies and Expense	\$14,472	\$25,845
630	Outside Services	\$20,607	\$21,628
635	Water Testing	\$3,359	\$4,104
641	Rents	\$0	\$58
650	Transportation Expenses	\$1,278	\$1,463
657	Insurance - General Liability	\$3,327	\$2,942
659	Insurance - Health and Life	\$837	\$5,626
666	Regulatory Commission Expense - Rate Case	\$0	\$0
675	Miscellaneous Expense	\$0	\$3,471
403	Depreciation Expense***	\$45,885	\$40,386
408	Taxes other Than Income	\$9,289	\$8,511
408.11	Property Taxes	\$17,687	\$18,645
409	Income Tax	\$-	\$-
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$237,025</b>	<b>\$262,999</b>
	<b>OPERATING INCOME (LOSS)</b>	<b>\$120,673</b>	<b>\$101,947</b>
	<b>OTHER INCOME (EXPENSE)</b>		
419	Interest and Dividend Income	\$176	\$11
421	Non-Utility Income	\$-	\$465
426	Miscellaneous Non-Utility Expenses	\$(2,100)	\$-
427	Interest Expense	\$(371)	\$(479)
	<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>\$(2,295)</b>	<b>\$(3)</b>
	<b>NET INCOME (LOSS)</b>	<b>\$118,378</b>	<b>\$101,944</b>

<b>*** Depreciation</b>	\$55,674	\$50,176
Less: A/A for CIAC	\$(9,790)	\$(9,790)
<b>Total</b>	<b>\$45,884</b>	<b>\$40,386</b>



COMPANY NAME: LOS CERROS WATER COMPANY, INC.
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**SUPPLEMENTAL FINANCIAL DATA**

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$59,224.00

Meter Deposits Refunded During the Test Year \$12,137.00

<b>Company Name: Los Cerros Water Co., Inc.</b>	
Name of System: Los Cerros Water Co., Inc.	ADEQ PWS NUMBER: 10128

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (Inches)</b>	<b>Year Drilled</b>
Wilds 55-802342	30	250	518'	10"	3"	1971
Fiesta 55-805783	10	130	N/A	8"	3"	N/A
LDO 55-804734	30	400	396'	10"	3"	1974
Silver Buckle 55-591958	20	100	564'	12"	3"	2003

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
N/A		

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
3	2	52	
10	2		
7.5 (Silver Buckle)	3		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
60000 (LDO)	1	5000 (Fiesta/Wilds)	2
375000 (Silver Buckle)	1	20000 (Swan/LDO)	2
		5000 (Silver Buckle)	1

<b>Company Name: Los Cerros Water Co., Inc.</b>	
Name of System: Los Cerros Water Co. Inc.	ADEQ PWS NUMBER: 10128

### **Water Company Plant Description (Continued)**

<b>MAINS</b>		
<b>Size (in inches)</b>	<b>Material</b>	<b>Length (in feet)</b>
2	PVC	7360
3	PVC	2395
4	PVC	25080
5		
6	PVC	29141
8	PVC	18532
10		
12	PVC	588

<b>CUSTOMER METERS</b>	
<b>Size (in inches)</b>	<b>Quantity</b>
5/8 x 3/4	813
3/4	5
1	16
1 1/2	
2	7
Comp. 3	1
Turbo 3	
Comp. 4	
Turbo 4	
Comp 5	
Turbo 6	

**For the following three items, list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

LDO Chlorinator

Wilds Road Chlorinator

Chemical Pump

8 gpm Chemical Feed Pump

Siver Buckle Well - Plusatron Chemical Feed Pump (20 gal 3/8" Line)

**STRUCTURES:**

Existing Fences (Chainlink surrounding all 4 wells) Approx 29' x 20' area for each well site

Shed @ Wilds Road Well Site

Fence @ pumping stations

**OTHER:**

None

<b>Company Name: Los Cerros Water Co., Inc.</b>	
Name of System: Los Cerros Water Co., Inc.	ADEQ PWS NUMBER: 10128

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
JANUARY	801	5218	5791
FEBRUARY	817	5010	5391
MARCH	812	5413	6204
APRIL	818	7220	7801
MAY	814	8489	9306
JUNE	818	9994	9800
JULY	819	8670	10636
AUGUST	814	9658	10449
SEPTEMBER	813	9318	10436
OCTOBER	812	8085	8860
NOVEMBER	814	7201	8070
DECEMBER	815	6399	6913
<b>TOTAL</b>		<b>90675</b>	<b>99657</b>

**What is the level of arsenic for each well on your system?**

*(If more than one well, please list each separately.)*

	mg/l
Wilds Road Well	<0.001
Fiesta Wells	<0.001
Lago Del Oro Well	<0.001
Silver Buckle Well	<0.001

**If system has fire hydrants, what is the fire flow requirement?      1000   GPM for   2   hrs**

**If system has chlorination treatment, does this treatment system chlorinate continuously?**

**( X ) YES                      ( X ) NO**

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**

**( X ) YES                      (   ) NO**

**Does the Company have an ADWR Gallons Per Capital Per Day (GPCPD) Requirement?**

**(   ) YES                      ( X ) NO**

**If yes, provide the GPCPD amount: \_\_\_\_\_**

**NOTE: If you are filing for more than one system, please provide separate data sheets for each system.**

<b>Company Name: Los Cerros Water Co., Inc.</b>	
<b>Name of System: Los Cerros Water Co., Inc.</b>	<b>ADEQ PWS NUMBER: 10128</b>

**UTILITY SHUTOFFS/DISCONNECTS**

<b>MONTH</b>	<b>Termination w/o Notice R14-2-410.B</b>	<b>Termination w/ Notice R14-2-410.C</b>	<b>OTHER</b>
<b>JANUARY</b>	0	8	0
<b>FEBRUARY</b>	0	4	0
<b>MARCH</b>	0	12	0
<b>APRIL</b>	0	8	0
<b>MAY</b>	0	10	0
<b>JUNE</b>	0	8	0
<b>JULY</b>	0	10	0
<b>AUGUST</b>	0	11	0
<b>SEPTEMBER</b>	0	11	0
<b>OCTOBER</b>	0	4	0
<b>NOVEMBER</b>	0	12	0
<b>DECEMBER</b>	0	5	0
<b>TOTALS</b>	<b>0</b>	<b>103</b>	<b>0</b>

OTHER (Description):

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COMPANY NAME Los Cerros Water Co., Inc YEAR ENDING 12/31/2009

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2009 was: \$ 18,645

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Beth Ford*  
Pima County Treasurer



*Patti Davidson*  
Chief Deputy Treasurer

**PIMA COUNTY TREASURER'S OFFICE**

**PIMA COUNTY TAX RECEIPT**

LOS CERROS WATER CO INC  
ATTN: JODY CARLSON  
4003 N FLOWING WELLS ROAD  
TUCSON AZ 85705-2404

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2009 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
222	42	0110	\$ 13.74	10/7/2009

**PAYMENTS**

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/28/2009	FULL YEAR	\$13.74	\$0.00	\$0.00	\$13.74
	TOTAL PAID	\$13.74	\$0.00	\$0.00	\$13.74

**PROPERTY ADDRESS**

**TAX YEAR 2009 BALANCE DUE**

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

***Thank you for your payment!***

**BETH FORD**  
PIMA COUNTY TREASURER

*Beth Ford*  
Pima County Treasurer



*Patti Davidson*  
Chief Deputy Treasurer

**PIMA COUNTY TREASURER'S OFFICE**

**PIMA COUNTY TAX RECEIPT**

LOS CERROS WATER CO INC  
ATTN: JODY CARLSON  
4003 N FLOWING WELLS ROAD  
TUCSON AZ 85705-2404

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2009 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
222	40	043A	\$ 13.74	10/7/2009

**PAYMENTS**

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/28/2009	FULL YEAR	\$13.74	\$0.00	\$0.00	\$13.74
	TOTAL PAID	\$13.74	\$0.00	\$0.00	\$13.74

**PROPERTY ADDRESS**

**TAX YEAR 2009 BALANCE DUE**

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
<b>TOTAL AMOUNT DUE</b>	<b>\$0.00</b>

***Thank you for your payment!***

**BETH FORD**  
PIMA COUNTY TREASURER



*Beth Ford*  
Pima County Treasurer



*Patti Davidson*  
Chief Deputy Treasurer

**PIMA COUNTY TREASURER'S OFFICE**

**PIMA COUNTY TAX RECEIPT**

LOS CERROS WATER CO INC  
ATTN: JODY CARLSON  
4003 N FLOWING WELLS ROAD  
TUCSON AZ 85705-2404

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2009 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
222	37	0130	\$ 13.74	10/7/2009

**PAYMENTS**

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/28/2009	FULL YEAR	\$13.74	\$0.00	\$0.00	\$13.74
	TOTAL PAID	\$13.74	\$0.00	\$0.00	\$13.74

**PROPERTY ADDRESS**

**TAX YEAR 2009 BALANCE DUE**

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
<b>TOTAL AMOUNT DUE</b>	<b>\$0.00</b>

***Thank you for your payment!***

**BETH FORD**  
PIMA COUNTY TREASURER

COMPANY NAME Los Cerros WaterCo., Inc

YEAR ENDING 12/31/2009

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>109,205</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>109,205</u>
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Alan R. Friedman  
SIGNATURE

2/22/10  
DATE

Alan R. Friedman  
PRINTED NAME

President  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

RECEIVED

**VERIFICATION**

STATE OF AZ  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) Pima
NAME (OWNER OR OFFICIAL) TITLE Alan R. Friedman
COMPANY NAME Los Cerros Water Co., Inc.

12.308P COMM  
Dire to Charles

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

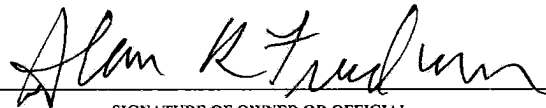
MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

(520) 293-5500

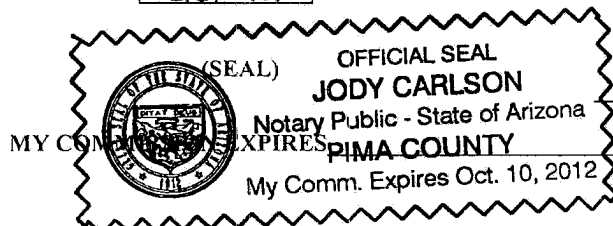
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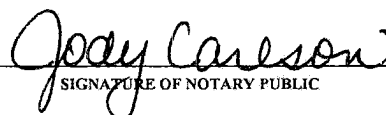
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 22nd DAY OF

COUNTY NAME	Pima	
MONTH	FEB	2010



  
SIGNATURE OF NOTARY PUBLIC

RECEIVED  
JAN 20 2010  
OFF COMM  
Jody Carlson

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

VERIFICATION

STATE OF AZ  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)
<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Alan R. Friedman</u>
COMPANY NAME
<u>Los Cerros Water Co., Inc</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2009</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 389,391.00

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 23,980.00  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

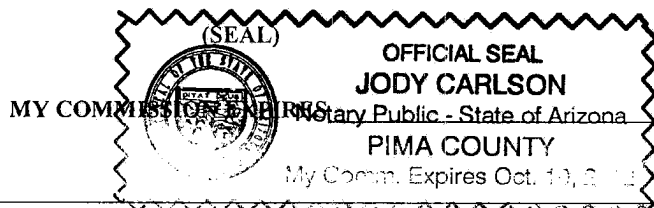
Alan R. Friedman  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 293-5500  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 22nd DAY OF

COUNTY NAME	<u>PIMA</u>	
MONTH	<u>FEB</u>	<u>2010</u>



Jody Carlson  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

RECEIVED

AL JEFF COMM  
Director Utilities

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Alan R. Friedman	TITLE President
COMPANY NAME Los Cerros Water Co., Inc.	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

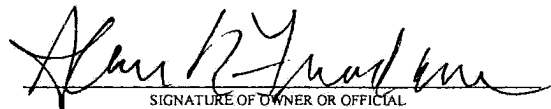
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 336,766.00

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 21,260.00  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL

(520) 293-5500

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

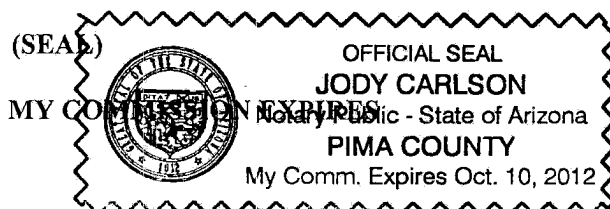
THIS

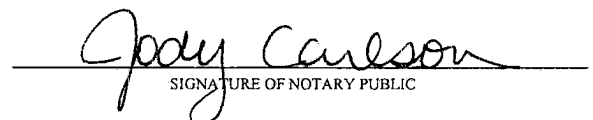
22nd

DAY OF

NOTARY PUBLIC NAME JODY CARLSON	
COUNTY NAME PIMA	
MONTH FEB	2010

(SEAL)



  
SIGNATURE OF NOTARY PUBLIC